



3015 (02-09-04)

ANNUAL REPORT

OF

Name: BUTTERNUT MUNICIPAL WATER DEPARTMENT

Principal Office: P.O. BOX 276
BUTTERNUT, WI 54514

For the Year Ended: DECEMBER 31, 1998

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: BUTTERNUT MUNICIPAL WATER DEPARTMENT

Utility Address: P.O. BOX 276

BUTTERNUT, WI 54514

When was utility organized? 3/1/1938

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: DIANE PETERSON

Title: CLERK

Office Address:

P.O. BOX 276

BUTTERNUT, WI 54514

Telephone: (715) 762 - 3113

Fax Number:

E-mail Address:

Individual or firm, if other than utility employee, preparing this report:

Name: MR STEVEN R METZ CPA

Title: MANAGER

Office Address: WIPFLI ULLRICH BERTELSON LLP

P.O. BOX 127

MINOCQUA, WI 54548

Telephone: (715) 356 - 9585

Fax Number: (715) 356 - 1764

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? NO

Individual or firm, if other than utility employee, auditing utility records:

Name: NONE

Title:

Office Address:

Telephone:

Fax Number:

E-mail Address:

Date of most recent audit report:

Period covered by most recent audit:

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: DAVID MERTIG**Title:** SUPERINTENDENT**Office Address:**P.O. BOX 276
BUTTERNUT, WI 54514**Telephone:** (715) 762 - 3113**Fax Number:****E-mail Address:**

Name of utility commission/committee:

Names of members of utility commission/committee:KIMBERLY BUECHNER, TREASURER
LORETTA JEHN, TRUSTEE
MIKE NEWMANN, TRUSTEE
DIANE PETERSON, CLERK
GREG SCHERWYNSKI, TRUSTEE
KEITH SCHIENEBECK, TRUSTEE
JOSEPH SMART, TRUSTEE
RICHARD TIMM, PRESIDENT
JOAN WEIS, TRUSTEE

Is sewer service rendered by the utility? NO**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes?** NO**Date of Ordinance:** **Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)?** NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:

Contact Person:**Title:****Telephone:****Fax Number:****E-mail Address:**

Contract/Agreement beginning-ending dates:**Provide a brief description of the nature of Contract Operations being provided:**

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	20,531	19,701	1
Operating Expenses:			
Operation and Maintenance Expense (401)	17,756	19,125	2
Depreciation Expense (403)	3,719	3,608	3
Amortization Expense (404)	0	0	4
Taxes (408)	1,638	1,615	5
Total Operating Expenses	23,113	24,348	
Net Operating Income	(2,582)	(4,647)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(2,582)	(4,647)	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	1,000	1,096	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	1,000	1,096	
Total Income	(1,582)	(3,551)	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	0	0	12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	(1,582)	(3,551)	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	0	13
Amortization of Debt Discount and Expense (428)			14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	0	0	
Net Income	(1,582)	(3,551)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	86,007	92,885	19
Balance Transferred from Income (433)	(1,582)	(3,551)	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	3,327	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	84,425	86,007	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
INTEREST FROM BANK	1,000	4
Total (Acct. 419):	1,000	
Miscellaneous Nonoperating Income (421):		
NONE		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	20,531	0	0	0	20,531	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	20,531	0	0	0	20,531	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	177,451	175,074	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	102,116	98,397	2
Net Utility Plant	75,335	76,677	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	0	0	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	45,085	46,590	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	4,554	3,430	11
Other Accounts Receivable (143)	141	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	0	0	14
Materials and Supplies (150)	500	500	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	50,280	50,520	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	0	0	
Total Assets and Other Debits	125,615	127,197	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	20,148	20,148	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	84,425	86,007	23
Total Proprietary Capital	104,573	106,155	
LONG-TERM DEBT			
Bonds (221)	0		24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	0	0	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)			28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	0	0	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	0	0	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	21,042	21,042	38
Total Liabilities and Other Credits	125,615	127,197	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	177,451	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	177,451	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	102,116	0	0	0	9
Total Accumulated Provision	102,116	0	0	0	
Net Utility Plant	75,335	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	98,397				98,397	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	3,719				3,719	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	3,719	0	0	0	3,719	13
Debits during year						14
Book cost of plant retired	0				0	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	0	0	0	0	0	19
Balance End of Year	102,116	0	0	0	102,116	20
Composite Depreciation Rate?	Yes					21
If yes, what is the rate?	2.11%					22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	500	500	2
Sewer utility		0	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	500	500	

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
(ACCTS. 181 AND 251)**

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				1
Total			<u>0</u>	
Unamortized premium on debt (251)				2
Total			<u><u>0</u></u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	20,148	1
Changes during year (explain):		
NONE		2
Balance end of year	20,148	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
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NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)
--	----------------------------------	--	----------------------------------	---

NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	1,615	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	1,615	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	1,615	7
PSC Remainder Assessment		8
Other (explain):		
NONE		9
Total payments and other debits	1,615	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
	0			0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
	0			0	4
Subtotal	0	0	0	0	
Total	0	0	0	0	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	21,042	0	0	0	0	21,042	1
Add credits during year:							
For Services						0	2
For Mains						0	3
Other (specify):							
						0	4
Deduct charges (specify):							
						0	5
Balance End of Year	21,042	0	0	0	0	21,042	
Amount of federal and state grants in aid received for utility construction included in End of Year totals						0	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	4,554	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	4,554	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	141	9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	141	
Receivables from Municipality (145):		
NONE		12
Total (Acct. 145):	0	
Prepayments (165):		
NONE		13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)
Payables to Municipality (233):	
NONE	16
Total (Acct. 233):	0
Other Deferred Credits (253):	
NONE	17
Total (Acct. 253):	0

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	176,262	0	0	0	176,262	1
Materials and Supplies	500	0	0	0	500	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation	100,256	0	0	0	100,256	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	21,042	0	0	0	21,042	6
Other (specify):					0	7
Average Net Rate Base	55,464	0	0	0	55,464	
Net Operating Income	(2,582)	0	0	0	(2,582)	8
Net Operating Income as a percent of						
Average Net Rate Base	-4.66%	N/A	N/A	N/A	-4.66%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	20,148	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	85,216	3
Other (Specify):		4
Total Average Proprietary Capital	105,364	
Net Income		
Net Income	(1,582)	5
Percent Return on Proprietary Capital	-1.50%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

NO SIGNIFICANT ADDITIONS

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

August 12, 1999

Ms. Diane Peterson, Clerk
Butternut Municipal Water Department
P.O. Box 276
Butternut, WI 54514-0276

1998 Analytical Review DWCCA-870-PJL

Dear Ms. Peterson:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. As instructed in the headnotes of the Water Operation & Maintenance Expenses schedule on page W-5, please provide explanations of all significant expense variations.
2. During our review of the footnotes, we noted your comment that the Property Tax Equivalent schedule on page W-7 was not completed because of the ordinance setting the tax at zero. For the purpose of being able to provide all relevant data for rate case studies and to have all pertinent information available for data requests from the public, the PSC requires that page W-7 be completed even if the tax has been set at zero or waived. Please provide a completed copy of the Property Tax Equivalent.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

PJL:tlk:w:\compl\analytical review letters\Aug 12 1999 rev letters L.doc
cc: Mr. Richard Timm, President

Response received by phone call from their accountant, Steve Metz.
#1, account 682, increase is due to repairing broken mains.

FINANCIAL SECTION FOOTNOTES

#2, refered Steve to Kathy Butzlaff because he had questions on completing the tax equivalent page.

Fax of completed tax equiv. page recieved 9/28

Review closed.

PJL

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	20,390	1
Total Sales of Water	20,390	
Other Operating Revenues		
Forfeited Discounts (470)	0	2
Other Water Revenues (474)	141	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	141	
Total Operating Revenues	20,531	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	9,375	5
General Operating Expenses (680-690)	8,381	6
Total Operation and Maintenance Expenses	17,756	
Other Operating Expenses		
Depreciation Expense (403)	3,719	7
Amortization Expense (404)		8
Taxes (408)	1,638	9
Total Other Operating Expenses	5,357	
Total Operating Expenses	23,113	
NET OPERATING INCOME	(2,582)	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential	8	367	420	1
Commercial	2	183	210	2
Industrial				3
Total Unmetered Sales to General Customers (460)	10	550	630	
Metered Sales to General Customers (461)				
Residential	135	6,198	7,097	4
Commercial	28	2,572	2,934	5
Industrial	4	9,858	3,218	6
Total Metered Sales to General Customers (461)	167	18,628	13,249	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		5,602	8
Other Sales to Public Authorities (464)	5	463	909	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	183	19,641	20,390	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	5,602	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	5,602	
Forfeited Discounts (470):		
Customer late payment charges		5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	0	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	141	7
Other (specify):		
NONE		8
Total Other Water Revenues (474)	141	
Amortization of Construction Grants (475):		
NONE		9
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	3,441	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	3,635	3
Chemicals (630)		4
Supplies and Expenses (640)	2,034	5
Repairs of Water Plant (650)	175	6
Transportation Expenses (660)	90	7
Total Plant Operation and Maintenance Expenses	9,375	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	1,130	8
Office Supplies and Expenses (681)		9
Outside Services Employed (682)	5,899	10
Insurance Expense (684)	410	11
Employees Pensions and Benefits (686)	520	12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	422	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	8,381	
Total Operation and Maintenance Expenses	17,756	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent		0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			2
Net property tax equivalent		0	
Social Security		1,615	3
PSC Remainder Assessment		23	4
Other (specify): NONE			5
Total tax expense		1,638	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.069(1)(c). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Ashland				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.223000				3
County tax rate	mills		7.412000				4
Local tax rate	mills		0.000000				5
School tax rate	mills		17.414000				6
Voc. school tax rate	mills		1.673000				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		26.722000				10
Less: state credit	mills		0.000000				11
Net tax rate	mills		26.722000				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		0.000000				14
Combined School Tax Rate	mills		19.087000				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		19.087000				17
Total Tax Rate	mills		26.722000				18
Ratio of Local and School Tax to Total	dec.		0.714280				19
Total tax net of state credit	mills		26.722000				20
Net Local and School Tax Rate	mills		19.087000				21
Utility Plant, Jan. 1	\$	175,074	175,074				22
Materials & Supplies	\$	500	500				23
Subtotal	\$	175,574	175,574				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	175,574	175,574				26
Assessment Ratio	dec.		0.000000				27
Assessed Value	\$	0	0				28
Net Local & School Rate	mills		19.087000				29
Tax Equiv. Computed for Current Year	\$	0	0				30
Tax Equivalent per 1994 PSC Report	\$						31
Any lower tax equivalent as authorized by municipality (see note 6)	\$	0					32
Tax equiv. for current year (see note 6)	\$	0					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	2,525		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	18,715		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	21,240	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	10,092		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	12,108		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	346		20
Total Pumping Plant	22,546	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	1,965		23
Total Water Treatment Plant	1,965	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	0		25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			2,525	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			18,715	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	21,240	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			10,092	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			12,108	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			346	20
Total Pumping Plant	0	0	22,546	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			1,965	23
Total Water Treatment Plant	0	0	1,965	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			0	24
Structures and Improvements (341)			0	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	8,818		26
Transmission and Distribution Mains (343)	70,403		27
Fire Mains (344)	0		28
Services (345)	18,071		29
Meters (346)	14,294		30
Hydrants (348)	10,324		31
Other Transmission and Distribution Plant (349)	7,413		32
Total Transmission and Distribution Plant	129,323	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	0		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	0	2,377	38
Other Tangible Property (390)	0		39
Total General Plant	0	2,377	
Total utility plant in service directly assignable	175,074	2,377	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	175,074	2,377	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)			8,818 26
Transmission and Distribution Mains (343)			70,403 27
Fire Mains (344)			0 28
Services (345)			18,071 29
Meters (346)			14,294 30
Hydrants (348)			10,324 31
Other Transmission and Distribution Plant (349)		(7,413)	0 32
Total Transmission and Distribution Plant	0	(7,413)	121,910
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)		7,413	9,790 38
Other Tangible Property (390)			0 39
Total General Plant	0	7,413	9,790
Total utility plant in service directly assignable	0	0	177,451
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	177,451

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			2,039	2,039	1
February			1,818	1,818	2
March			1,966	1,966	3
April			1,931	1,931	4
May			2,002	2,002	5
June			1,733	1,733	6
July			2,063	2,063	7
August			2,266	2,266	8
September			2,051	2,051	9
October			2,072	2,072	10
November			1,882	1,882	11
December			2,109	2,109	12
Total for year	0	0	23,932	23,932	
Less: Measured or estimated water used in main flushing and water treatment during year				500	13
Less: Other utility use				2,000	14
Other utility use explanation:					15
TRICKLE TO PREVENT FREEZE UPS 1000,000 GALLONS. LEAKS AND MAIN BREAKS 1000,000 GALLONS.					
Water pumped into distribution system				21,432	16
Less: Water sold				19,641	17
Losses and unaccounted for				1,791	18
Percent unaccounted for to the nearest whole percent (%)				8%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Maximum gallons pumped by all methods in any one day during reporting year				135	21
Date of maximum: 8/1/1998					22
Cause of maximum:					23
NORMAL OPERATION					
Minimum gallons pumped by all methods in any one day during reporting year				35	24
Date of minimum: 3/30/1998					25
Total KWH used for pumping for the year				36,151	26
If water is purchased:Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
PARK HILL	1	158	6	180,000	Yes	1
EAST MAIN STREET	2	54	16	720,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification	1	2	1
Location	PARK HILL	EAST MAIN STREET	2
Purpose	S	P	3
Destination	R	R	4
Pump Manufacturer	COOK	LANE BOWLER	5
Year Installed	1939	1960	6
Type	VERTICAL TURBINE	CENTRIFUGAL	7
Actual Capacity (gpm)	125	500	8
Pump Motor or Standby Engine Mfr	US MOTOR	A.C.	10
Year Installed	1939	1960	11
Type	ELECTRIC	ELECTRIC	12
Horsepower	15	40	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)
Identification			14
Location			15
Purpose			16
Destination			17
Pump Manufacturer			18
Year Installed			19
Type			20
Actual Capacity (gpm)			21
Pump Motor or Standby Engine Mfr			22
Year Installed			23
Type			24
Horsepower			25
			26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	PARK HILL		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
			3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		4
			5
Year constructed	1939		6
			7
Primary material (earthen, steel, concrete, other)	STEEL		8
			9
Elevation difference in feet (See Headnote 3.)	100		10
Total capacity in gallons	57,000		11
WATER TREATMENT PLANT			12
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		13
			14
Points of application (wellhouse, central facilities, booster station, other)	CENTRAL FACILITIES		15
			16
			17
Filters, type (gravity, pressure, other, none)	NONE		18
			19
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	0.7200		20
			21
			22
Is a corrosion control chemical used (yes, no)?	N		23
			24
Is water fluoridated (yes, no)?	N		25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	S	0.625	60	0	0	0	60	1
M	S	0.750	1,748	0	0	0	1,748	2
M	S	1.000	350	0	0	0	350	3
M	D	2.000	200	0	0	0	200	4
M	S	2.000	200	0	0	0	200	5
M	D	4.000	1,088	0	0	0	1,088	6
M	D	6.000	12,504	0	0	0	12,504	7
M	D	8.000	3,013	0	0	0	3,013	8
Total Within Municipality			19,163	0	0	0	19,163	
Total Utility			19,163	0	0	0	19,163	

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.625	160	0	0	0	160		1
M	0.750	1	0	0	0	1		2
M	1.000	4	0	0	0	4		3
M	1.500	1	0	0	0	1		4
M	2.000	2	0	0	0	2		5
M	3.000	2	0	0	0	2		6
M	6.000	2	0	0	0	2		7
Total Utility		172	0	0	0	172	0	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	223	0	0	0	223	10	1
1.000	10	0	0	0	10	0	2
1.500	1	0	0	0	1	0	3
2.500	5	0	0	0	5	0	4
3.000	2	0	0	0	2	1	5
Total:	241	0	0	0	241	11	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	140	24	0	2	0	57	223	1
1.000	0	3	2	1	0	4	10	2
1.500	0	1	0	0	0	0	1	3
2.500	0	1	1	1	0	2	5	4
3.000	0	0	1	1	0	0	2	5
Total:	140	29	4	5	0	63	241	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	20				20	2
Total Fire Hydrants	20	0	0	0	20	
Flushing Hydrants						
	1				1	3
Total Flushing Hydrants	1	0	0	0	1	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	20
Number of distribution system valves end of year:	18
Number of distribution valves operated during year:	9

WATER OPERATING SECTION FOOTNOTES

Property Tax Equivalent (Water) (Page W-07)

THE BUTTERNUT MUNICIPAL WATER DEPT HAS ADOPTED AN ORDINANCE EFFECTIVE JANUARY 1, 1997 WHEREBY SETTING THE TAX AT ZERO. W-7 WAS NOT REQUIRED TO BE COMPLETED.

(property tax rates were not reported in mills. Corrected 3/6/00 ele).

Water Utility Plant in Service (Page W-08)

LAST YEARS REPORT INCORRECTLY INCLUDED \$7413 ON LINE 32B WHICH IS CORRECTLY ADJUSTED WITH REDUCTION ON 32F AND ADDITION TO 38F.
